

INITIATIVE 843

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 843 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to transportation improvement; amending RCW
2 82.08.020 and 82.12.045; and creating a new section.

3 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** Politicians have failed to adequately fund
5 road construction in our state. Washington ranks as one of the highest
6 taxed states but also as having the worst traffic congestion problems.
7 The funding is there, but legislators have chosen to spend it on other
8 things. Traffic congestion creates frustration for motorists, damages
9 the environment with air pollution, and is an economic drain for
10 business. The purpose of this act is to correct this inadequacy in
11 funding for roads. By passing this act, citizens are demanding that
12 legislators reprioritize spending to provide adequate highway
13 infrastructure. That should be one of the key roles of government.

14 This measure requires vehicle sales and use taxes be deposited in
15 the motor vehicle fund and used for road construction and maintenance
16 at the state and local level. Vehicle purchases generate billions of
17 dollars in sales and use tax revenue. Just as the gas tax is dedicated
18 to highways, these tax revenues should go toward constructing and
19 maintaining roads for use by drivers who have paid those taxes and not

1 to subsidize the general fund. People who pay taxes when buying a
2 vehicle should be entitled to drive them on adequate roads, streets,
3 and highways.

4 **Sec. 2.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each amended
5 to read as follows:

6 (1) There is levied and there shall be collected a tax on each
7 retail sale in this state equal to six and five-tenths percent of the
8 selling price. The state sales tax levied and collected on each motor
9 vehicle retail sale in this state shall be deposited in the motor
10 vehicle fund created in RCW 46.68.070 and used for road, street, and
11 highway construction and maintenance at the state and local level. For
12 the purpose of this section, "motor vehicle" has the meaning provided
13 in RCW 82.12.045(2).

14 (2) There is levied and there shall be collected an additional tax
15 on each retail car rental, regardless of whether the vehicle is
16 licensed in this state, equal to five and nine-tenths percent of the
17 selling price. The revenue collected under this subsection shall be
18 deposited in the multimodal transportation account created in RCW
19 47.66.070.

20 (3) The taxes imposed under this chapter shall apply to successive
21 retail sales of the same property.

22 (4) The rates provided in this section apply to taxes imposed under
23 chapter 82.12 RCW as provided in RCW 82.12.020.

24 **Sec. 3.** RCW 82.12.045 and 1996 c 149 s 19 are each amended to read
25 as follows:

26 (1) In the collection of the use tax on motor vehicles, the
27 department of revenue may designate the county auditors of the several
28 counties of the state as its collecting agents. Upon such designation,
29 it shall be the duty of each county auditor to collect the tax at the
30 time an applicant applies for the registration of, and transfer of
31 title to, the motor vehicle, except in the following instances:

32 (a) Where the applicant exhibits a dealer's report of sale showing
33 that the retail sales tax has been collected by the dealer;

34 (b) Where the application is for the renewal of registration;

35 (c) Where the applicant presents a written statement signed by the
36 department of revenue, or its duly authorized agent showing that no use
37 tax is legally due; or

1 (d) Where the applicant presents satisfactory evidence showing that
2 the retail sales tax or the use tax has been paid by him on the vehicle
3 in question.

4 (2) The term "motor vehicle," as used in this section means and
5 includes all motor vehicles, trailers and semitrailers used, or of a
6 type designed primarily to be used, upon the public streets and
7 highways, for the convenience or pleasure of the owner, or for the
8 conveyance, for hire or otherwise, of persons or property, including
9 fixed loads, facilities for human habitation, and vehicles carrying
10 exempt licenses.

11 (3) It shall be the duty of every applicant for registration and
12 transfer of certificate of title who is subject to payment of tax under
13 this section to declare upon his application the value of the vehicle
14 for which application is made, which shall consist of the consideration
15 paid or contracted to be paid therefor.

16 (4) Each county auditor who acts as agent of the department of
17 revenue shall at the time of remitting license fee receipts on motor
18 vehicles subject to the provisions of this section pay over and account
19 to the state treasurer for all use tax revenue collected under this
20 section, after first deducting as his collection fee the sum of two
21 dollars for each motor vehicle upon which the tax has been collected.
22 All revenue received by the state treasurer under this section shall be
23 ~~((credited to the general fund))~~ deposited in the motor vehicle fund
24 created in RCW 46.68.070 and used for road, street, and highway
25 construction and maintenance at the state and local level. The
26 auditor's collection fee shall be deposited in the county current
27 expense fund. A duplicate of the county auditor's transmittal report
28 to the state treasurer shall be forwarded forthwith to the department
29 of revenue.

30 (5) Any applicant who has paid use tax to a county auditor under
31 this section may apply to the department of revenue for refund thereof
32 if he has reason to believe that such tax was not legally due and
33 owing. No refund shall be allowed unless application therefor is
34 received by the department of revenue within the statutory period for
35 assessment of taxes, penalties, or interest prescribed by RCW
36 82.32.050(3). Upon receipt of an application for refund the department
37 of revenue shall consider the same and issue its order either granting
38 or denying it and if refund is denied the taxpayer shall have the right
39 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

1 (6) The provisions of this section shall be construed as cumulative
2 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,
3 for the collection of the tax imposed by this chapter. The department
4 of revenue shall have power to promulgate such rules as may be
5 necessary to administer the provisions of this section. Any duties
6 required by this section to be performed by the county auditor may be
7 performed by the director of licensing but no collection fee shall be
8 deductible by said director in remitting use tax revenue to the state
9 treasurer.

10 NEW SECTION. **Sec. 4.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

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